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Paul Ryan budget ax hits health programs hard

By: Brett Norman March 12, 2013 10:05 AM EDT

The House Republican budget released Tuesday would wring about 70 percent of its spending cuts from health programs — including defunding Obamacare — to bring the budget into balance a decade from now.

Even though the federal health care law has survived the gauntlet of the Supreme Court and the presidential election since Rep. Paul Ryan released his last budget one year ago, the Wisconsin lawmaker again calls for defunding it. In fact, defunding the Affordable Care Act accounts for close to half, or about \$1.84 trillion, of his proposed deficit reduction. His plan calls for balancing the budget in 2023.

As Ryan had indicated, there is one piece of the law that he would keep: the \$716 billion in cuts to Medicare. The budget preview says those dollars would be committed to the Medicare Trust Fund and not to a "new entitlement," as Ryan says they are under the ACA.

(Also on POLITICO: Ryan unveils budget plan)

The core health care policies in the budget are unchanged from last year. The budget would block grant Medicaid and trim other health programs to save \$756 billion over a decade, introduce vouchers for Medicare — while preserving traditional Medicare as an option — and gradually raise the eligibility age by two years for those who are now under 55. That would save another \$129 billion, according to the estimates.

All told, the health spending is about \$2.72 trillion less than projected under current policy. The total estimated cuts, including other mandatory spending and discretionary accounts, are \$3.93 trillion over the next 10 years. Ryan claims there would be another \$700 billion in reduced interest payments.

While Ryan's budget proposal has little hope of taking money from the health care law in the near term, the continuing resolutions passed by the House and in progress in the Senate contain no extra money for implementing the law in the final months leading up to open enrollment this fall.

(Also on POLITICO: Murray budget: \$1T in new revenue)

HHS Secretary Kathleen Sebelius predicted last budget season that the \$1 billion designated for implementation in the law would run out by the end of last year.

It's unclear how the agency is funding the build-out of the federal exchange and the data hub that will be crucial to the rollout of the law. HHS has not responded to questions about the impact of the sequester on ACA implementation or how it is paying for the ongoing efforts.

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